

**CITY OF DELTONA, FLORIDA
ECONOMIC DEVELOPMENT LAKESHORE ECO-ECONOMIC &
MICRO-INCUBATOR STUDY SUB-COMMITTEE MEETING
FRIDAY, FEBRUARY 8, 2013**

A Regular Meeting of the Economic Development Lakeshore Eco-Economic & Micro-Incubator Study Sub-Committee was held on Friday, February 8, 2013 in the City of Deltona's 2nd Floor Conference Room at 2345 Providence Blvd., Deltona, Florida.

1. CALL TO ORDER:

Mr. Mayes was unable to attend the meeting due to a scheduling conflict and Mr. Ron Paradise agreed to attend the meeting as Acting Staff Liaison. He asked everyone to state their names when speaking in order to have correct minutes.

The meeting was called to order at 3:34 p.m. by Vice Chairman Kesler. Mr. Paradise called the roll.

2. ROLL CALL & DETERMINATION OF QUORUM:

Chairman	Roy Braddy	Absent (excused)
Vice Chairman	John "Jack" Kesler	Present
Sub-Committee Member	Tanya Boggs	Present
Sub-Committee Member	Joe Cerrato	Absent (excused)
Sub-Committee Member	Bob Desmond	Absent (unexcused)
Sub-Committee Member	Janet Deyette	Present
Sub-Committee Member	Jean Guida	Present
Sub-Committee Member	Christine Peacock	Present
Staff Liaison	Jerry Mayes	Absent (excused)

Also present: Ron Paradise, Asst. Director the Deltona Planning & Development Department, Kathy Burley, Center for Business Excellence and John Kizer, Volusia County Div. of Economic Development.

3. PLEDGE OF ALLEGIENCE: Pledge was recited.

4. APPROVAL OF MINUTES & AGENDA:

A. Adoption of the Minutes – January 11, 2013:

Vice Chairman Kesler asked if everyone had a chance to review the minutes from January 11, 2013 and if there was any discussion; if not a motion is in order.

Motion was made by Ms. Guida, seconded by Ms. Deyette to approve the minutes for January 11, 2013 as published.

Motion carried with members present voting unanimous.

B. Additions or Deletions to the Agenda: None

5. WELCOME OF GUESTS & PUBLIC:

Vice Chairman Kesler welcomed the guests and asked them to introduce themselves.

6. CITY LIAISON REPORT:

A. Review of Storaway Self Storage pricing chart:

Mr. Paradise passed out an email exchange between Mr. Mayes and Mr. Hardman the manager of Storaway Storage and commented that Storaway Self Storage is the preferred site for the micro-incubator

that is envisioned to be partnered with Daytona State College. He pointed to a rent schedule on the back of the email and the bottom line is that for Storaway to break even the rent would need to be \$764.00 per month. He stated we are looking for recommendations on how to satisfy this monthly rental obligation asking does the City pay all of the rent for a start-up or a percentage of the rent and when do the businesses have to leave the incubator. He commented the CBE may bring some money to the table but don't count on it; the City may end up being responsible for doing most of the heavy lifting. Ms. Peacock asked if there was any kind of rent control for the second year and commented if you provide 100% of the rent the start-up would not have any stake in the program. She added you would want to invite people who are willing to have a stake in the program. Mr. Paradise commented having skin in the game is not bad but being able to project rent cost in the future would be part of lease negotiations between the City and Storaway. Ms. Peacock suggested the landlord would benefit from the exposure. Mr. Paradise asked if there was a consensus to have a portion of the rent borne by the tenant; say 50%. Ms. Boggs stated it would depend on the type of businesses targeted such as a start-up may not be able to pay rent versus a business that has existed a year with some revenues coming in; it would depend on how we underwrite those businesses. Ms. Peacock stated looking back at previous agendas she believed they would be looking at people who have had some success already in stabilizing their business and they are just needing to have clients and employees come and go. Ms. Boggs asked if the \$764 was for each office or all three. Mr. Paradise stated it was total for all. Ms. Deyette stated looking at the prices it looked like the rent was charged according to the size of the office. Vice Chairman Kesler stated he was with Mr. Mayes during the discussions and there are two bedroom type suites, an office type suite, a kitchen that they are changing and a meeting area. He added they had not seen the actual layout yet. Ms. Boggs asked if there would be any prohibition of public sponsorships or businesses from the community wanting to help for instance a financial institution who is doing business in Deltona that would like to see the incubator succeed and would like to contribute to the overall investment cost. Mr. Paradise stated yes, we would be most amenable to a public/private relationship or partnership and believes the more partners and businesses that become vested in the incubator and the community the impact and chances for success will be enhanced. Ms. Boggs suggested there will be other costs involved for speakers, classes and some labor offered possibly by the City as part of the program to help them grow and suggested that cost may need to be added to the numbers as well. Ms. Peacock stated she had worked with the Small Business Administration (SBA) in Seminole County and they did provide classes, seminars and workshops for the incubator as a partner. Mr. Paradise stated DSC will be the educational partner and they will provide classes and as part of the requirement to take advantage of the incubator the user must take part in the educational activity that would include learning how to operate a business, applying for grants/loans and how to write a business plan, etc. Vice Chairman Kesler commented according to his experience it takes a minimum of about three years for a business start-up and that needs to be one of the considerations in the program. Ms. Peacock suggested choosing businesses that complement each other will help the incubator succeed and should also be a consideration. Ms. Boggs commented she also believes that three years is a reasonable number but she liked Mr. Hardman's comments regarding an 18 month rental rate agreement guarantee and a possible renewal with the City because you need to be able to remove a business that is not making the effort. Mr. Paradise commented there is probably a model out there that would facilitate termination of a relationship and we don't need to reinvent the wheel. He asked if there were any other questions and summarized the discussion that there is a preference that the incubator users should share some level of rental responsibility and it should be handled on a case by case basis.

B. DSC to become educational partner in Micro-Incubator, awaiting syllabus and pricing:

Mr. Paradise stated as discussed previously DSC is going to be the educational component of the micro-incubator and that is a positive. Vice Chairman Kesler asked if DSC has a standard curriculum for this type of program or are we going to have to create that. Mr. Paradise answered he wasn't sure but from speaking with Mr. Mayes his understanding is that they have worked with other economic development

entities in the county so they do have an appropriate curriculum. Ms. Boggs stated DSC actually has the UCF incubator on site so they would be able to work with their partners to develop something.

C. Requesting community support of the City of Deltona CRA:

Mr. Paradise gave an overview of Deltona's CRA which includes the Deltona, Normandy and Saxon Boulevard corridors including areas known as Deltona Plaza and the Publix Shopping Center and residential area between Finland Avenue and the intersection of Normandy and Saxon. He stated there are other areas such as the commercial area on Deltona Blvd. around Enterprise Rd. and going south that has strip plazas and standalone one store deep businesses. He stated due to the condition of those areas they are in need of some attention. He gave a status report on the process the City is engaged which is covered under Florida Statute No. 163 part 3. He stated the City is currently waiting to see how much influence the County will have versus the City but from his experience the County can be a very active back seat driver in the process and that is not something the City can buck. Ms. Deyette asked if the County can stop the City from doing the CRA. Mr. Paradise stated the County has the ability to make the process so onerous and the conditions so difficult that it will either discourage the local government from participating in a CRA or may result in eviscerating any benefits the local government could get from a CRA. He added these are legal determinations that have yet to be determined. He stated there is a chain of events that needs to take place beginning with the Findings and Necessity report which the City has already done followed up by establishing a CRA Board, then a CRA plan and then eventually obtaining a CRA. He stated they had attended a meeting in DeLand and it looks like the County does not seem to be entirely closed minded on this topic however the County is looking for accountability which he believes is a good thing. He stated we want to have a CRA that satisfies and addresses the needs of the City but is also beneficial for the County making it a win-win situation for both. He stated what we need now is a political component and it comes down to the political component of the City along with our County Representatives as well as a groundswell of community support. He added even though this covers a small area (250 acres) of the City it will benefit the entire City. He asked if there were any questions. Ms. Boggs suggested in getting a groundswell of support it is important to explain how it will impact the City and the benefits of a CRA and would it simply be a sprucing up of the area. Mr. Paradise explained it would not be just aesthetics but would mean improvements to the core infrastructure to make that area more attractive to private investments. He stated the City has been conservative and has not been pushing for streetscapes; the City is looking more at core infrastructure like water, sewer and roadways which he feels is a good investment of CRA dollars.

D. Meeting held with Enterprise Preservation Society LLC- "positive":

Mr. Paradise stated Mr. Mayes had met with a couple of active members regarding the eco-economic area that involves the trail and the lake and they were very pleased that the City and Mr. Mayes had taken the time to bring them in. He stated most of them live in an unincorporated community but they are well organized and obviously the City is interested in working with them sooner rather than later. He stated meetings will continue with Mr. Mayes meeting with Sandy Walters regarding some of the City's ideas for areas like Thornby and the Community Center. He stated he believed the City set a positive tone by scheduling the 5K Run event in that area next week. He added he had signed up for the event.

7. OLD BUSINESS:

A. Public Sector Participants contributions: None

8. NEW BUSINESS:

A. Start discussion of Micro-Incubator regarding City subsidy of rents:

Vice Chairman stated he believed this had been discussed already and unless there was anything else to add they would move on and everyone agreed.

9. MEMBER COMMENTS:

Ms. Deyette commented she was unable to attend the meeting Mr. Mayes had with Cindy Sullivan. She commented that spoke later with Ms. Sullivan and she was told by Ms. Sullivan that she was looking forward to the next meeting. She commented she believed Ms. Walters had suggested Mr. Mayes read the Thornby book so he would be caught up on the history.

Ms. Guida commented she was glad to see at least at this meeting there are several women here.

Ms. Peacock asked who decides what plants get put in the medians. Mr. Paradise answered there is a Beautification Board that delves into those landscaping issues but for private development there are landscaping requirements as part of the City's zoning regulation. He commented Mr. Moore would be the administrative contact for the medians within the City however Howland is a County road as is Providence. He added that the City has been very active in landscaping along those roads but he is not sure what the relationship is. Ms. Peacock commented she had noticed just recently they were using more native plants instead of the very high maintenance plants that have a lot of turnover and waste. Mr. Paradise commented that whoever was planting the high maintenance plants has probably learned that native is better.

10. PUBLIC COMMENTS:

Mr. Kizer commented when looking at how any funds you get are spent and you are trying to attract businesses if you don't have the infrastructure it doesn't matter how nice it looks.

11. CONFIRMATION OF NEXT MEETING DATE, TIME AND LOCATION.

Next meeting scheduled for Friday, March 8, 2013 at 3:30 p.m. in the 2nd Floor Conference Room.

12. ADJOURNMENT:

Motion was made by Ms. Boggs, seconded by Ms. Deyette to adjourn the meeting.

Motion carried with members present voting unanimously.

Meeting adjourned at 4:24 p.m. (Please note: no time was given for adjournment. The time used is estimated by the time elapsed on the recorder.)

Jack Kesler, Vice Chairman

ATTEST:

Janet Day, Admin. Assistant II